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ROUTING AND RECORD SHEET				
SUBJECT: (Optional) DCI 28 January 198 Ambassador to Ch	5 Meeting Wi ile	th Mr.	James	D. Theberge, U.S.
FROM:			EXTENSION	NO. 11 - 375 / 85 DATE 23 January 1985
building)	RECEIVED	FORWARDED	OFFICER'S INITIALS	COMMENTS (Number each comment to show from who to whom. Draw a line across column after each commen
		24/4 n	·	This is to confirm your appointment with Mr. James D. Theberge, U.S. Ambassador to Chile at 1100 hours, 28 January 1985.
				The Ambassador will be accompanied by Chief. LA Division
5. DC/LA 3C-2016, HQS				
7. C/LA 3C-2016, HQS				
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O I U EDITIONS

SECRET

SUBJECT: Talking Points For 28 January 1985 Meeting with James D. Theberge, United States Ambassador to Chile

Points likely to be raised by Ambassador Theberge: We understand this is primarily a personal visit. However, Ambassador Theberge may raise the following points:

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--The continuation in office of President Pinochet. A ninety day state of siege was declared 6 November 1984 to assist the military government in combating a wave of terrorist incidents. Recent reporting indicates that the state of siege may be extended ninety days on 4 February 1985. Rivalries and factionalism within the political opposition have prevented the emergence of a unified, thus significant, threat. The military junta continues to support President Pinochet's leadership.

--A Political Parties Law may be enacted this calendar year legalizing membership in the previously outlawed political parties. Interior Minister Jarpa has reportedly asked President Pinochet for an early passage of the Political Parties Law and an early announcement of the end of the state of siege, if extended until 5 May 1985. President Pinochet's approval of these measures may portray him as supportive of the scheduled political transition to democracy.



SECRET

COUNTRY FACT SHEET

NAME:

Chile

CAPITAL:

Santiago

POPULATION:

11,655,000

AREA:

759,871 Square Kilometers

GNP:

27.3 Billion U.S. Dollars

PER CAPITA INCOME:

\$2,178

A BRIEF DESCRIPTION OF THE POLITICAL AND ECONOMIC SITUATION:

Chile's major issue is whether the two-month-old state of siege will be extended on 4 February when the present ninety-day term expires. President Pinochet is seen as delaying the political liberalization in Chile and there is likely to be renewed efforts by opposition groups to mount anti-government demonstrations. Terrorist incidents, predominantly bombings, continue at a high rate (80 per month) and probably will intensify late in the year.

Chile's economic problems are reflected in an unemployment rate of thirteen percent, equally high underemployment, and an annual inflation rate of twenty-three percent in 1984. The government is generally in compliance with IMF restrictions which probably assures Chile of continuing access to international funding.

